

**Testimony**  
**Of**  
**J.C. “James” Overstreet**  
**Farmer, Rancher, and Peanut Producer**  
**Derby, Texas**  
**Frio County**  
**Before the United States House of Representative**  
**Committee on Agriculture**  
**May 9, 2006**  
**San Angelo, Texas**

**Good morning, Chairman Goodlatte, Ranking Member Peterson, and members of the Committee. I also want to add my welcome to the other producers and to Thank You for holding this hearing in Texas.**

**My name is James Overstreet. I am a farmer, rancher, and peanut producer from South Texas. I am a full time operator of a diversified five thousand acre operation in Frio County. We produce approximately twelve hundred acres of peanuts, one hundred acres of vegetables, and run about two hundred twenty-five momma cows. I have been growing peanuts and other crops for near thirty years.**

**While I am primarily here today to discuss the Farm Bill as it relates to peanuts, I do want to offer some general comments. First, the current Farm Bill works fairly well the way it is. We could do a whole lot worse. And that is what I am concerned with. I am concerned that in these times of uncertainty with high fuel, fertilizer and other input costs, we will unilaterally disarm. Good farm legislation should reflect the realities in the difficulty of U.S. farm products accessing foreign markets. We should extend the current Farm Bill until we know the outcome of the World Trade Organization negotiations.**

**Neither can we unilaterally disarm when it come to research. If U.S. producers are going to be asked to compete with countries like China, Argentina, and Brazil, we should maintain our competitive advantage by investing in research. We cannot compete if we cut our research funds.**

**While the peanut program should be continued, Congress should examine ways to improve it. The number one place to improve is in the determination of the National Posted Price. Right now how USDA determines this price seems a mystery. The Committee must send a clear message to USDA on how it administers the National Posted Price. Greater transparency in the method of establishing the National Posted Price would allow the industry to improve decision-making for planning purposes. Simply put, we all need an approach that is easily understood and of use to the peanut industry.**

**In the 2002 Farm Bill, Congress directed the Secretary to set the National Posted Price at a rate that would “allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally”. Although this language is stated clearly in the law, only a portion of this language is being implemented. We are freely and competitively competing in the domestic market, but,**

**because of USDA's price calculations, we have lost fifty-four percent of our export sales.**

**Peanuts are a semi-perishable crop and require storage and handling to protect producers and allow orderly marketing. Because of an unfortunate omission in the 2002 bill, government payment of these costs expires at the end of the 2007 peanut crop year, effective August 1, 2007. I am concerned about and strongly support an extension of the authorization for the payment for peanut handling and storage costs. A provision to provide government payment for storage and handling costs should be a part of any future Farm Bill.**

**Finally, I want to address beginning farmers. I estimate that the average age of farmers in Frio County is fifty years of age and our numbers continue to decrease. Farmers are the true minority in this country. Despite all the good work by 4-H, FFA, Texas A&M, Texas Tech, and other colleges and universities, it is rare when a young person returns to the farm. I am concerned about the decreasing numbers of farmers and the increasing difficulty of young people to have a reasonable chance in developing a new farm operation. I ask the Committee to closely examine initiatives to assist beginning farmers so we can have a reasonable group of producers to take over in the future.**

**I know that a perfect Farm Bill, as is a perfect peanut crop, is impossible to produce. Though, I go to the field every day with that goal in mind. I feel that the Farm Bill should promote agriculture, not disintegrate it.**

**Mr. Chairman, thank you again for the opportunity to present my testimony. I would be happy to respond to your questions at any time.**